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PRESS RELEASE

USAID \$1.3 Million Global Development Alliance, and \$750 Thousand Last Mile Initiative in Vietnam

Vanguard Information Technology in Vietnam – USAID Private Public Partnerships are transforming the wireless landscape and promoting economic development

HANOI, VIETNAM

For the first time in Vietnam, public and private interests in the telecom sector are merging to establish a nation-wide network of Community Technology and Learning Centers (CTLCs) interconnected through the Internet.

This initiative is made possible through the United States Agency for International Development's (USAID) Global Development Alliance (GDA) program that forms public and private partnerships to achieve sustainable development innovations in economic and social development.

The GDA will bring together over US \$1.3 million in public and private resources from USAID, Microsoft, Qualcomm, Electricity of Vietnam (EVN, the state-owned energy/telecommunication giant, and Centre for Research and Consulting on Management (CRC, a technology NGO under the Hanoi University of Technology). This GDA project, led by Microsoft's Unlimited Potential Program, will create an ICT-supported Community Technology and Learning Center in each of Vietnam's 64 provinces over the next 24 months.

CTLCs will be connected via the Internet at a reduced cost using Qualcomm's CDMA450 technology and leveraging EVN's fiber backbone to provide rural wireless broadband internet and voice access. The Centers will provide quality IT skills training through Microsoft's Community Learning Curriculum in basic computer skills, Internet skills and digital media, and software program lessons. All training will be available in Vietnamese, including Windows, the K-12 curriculum, a range of other applications useful to local citizens, schools and small business entrepreneurs.

Tim Beans, Director of USAID's Regional Development Mission Asia (RDMA) said, "During a decade of huge economic and social adjustments, Vietnam's commitment to the development of its people has already reduced poverty 33%. During the next decade, IT skills will help Vietnam's growing youth population to compete for better paying jobs all across the country, not only in the city." Beans added, "By harnessing leading-edge technologies today, Vietnam is positioning itself for expanding job creation and a more prosperous future – as regional and international markets grow and evolve."

Vietnam's economic restructuring has propelled the country's social and economic progress and implementation of the US-Vietnam Bilateral Trade Agreement in turn, has fostered a surge in investment and two-way trade flows between the two countries. The U.S. has become the largest foreign investor in Vietnam with FDI soaring to 27 percent between the years 2002–2004, and cumulative capital totaling \$2.6 billion from investments in



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infrastructure and information technologies. USAID technical assistance in Vietnam has helped in developing policy, legal and institutional frameworks which promote a market economy, boosts international investment in Vietnam and supports Vietnam's integration into the global trading community.

Despite Vietnam's impressive gains in network expansion (the average growth of Vietnam's telecoms network during 1998 – 2003 was 26.8%, one of the highest in the region), the country still lags behind its regional neighbors (Vietnam's Internet user ratio is almost 1.85% as compared to 11.45% of the ASEAN countries in average).

Microsoft's Unlimited Potential Program (UP) is a global initiative designed to bridge the "digital divide" and promote global workforce development by providing ICT/technology skills through community schools and ICT technology centers. Since 2004, Vietnam has received Microsoft UP grants to train almost 3,000 disadvantaged youth in IT skills that will provide access to better jobs.

The USAID/Microsoft GDA partnership with other donors, will distribute the Unlimited Potential curriculum to 500 vocational schools, provide regional Train-the-Trainer programs, and provide supporting help-desk support. The program will create or upgrade one CTLC per province, thereby providing 20,000 people with access to skilled teachers, upgraded computer equipment and commercially self-sustaining learning centers.

The longer term goals of the USAID's Global Development Alliance and the related Last Mile Initiative (LMI) will be further leveraged at just the right time – through Vietnam's launching of a Universal Service Fund (VTF). USAID's Last Mile Initiative is providing the vital technical expertise to develop and organize the fund which will re-allocate hundreds of millions of dollars from profitable telecom sectors for expanding ICT/telecom services to underserved areas and populations. This is an important "first" in the Telecom Sector as reallocation of funds will support new projects and services via competitive bidding open to private sector providers.

USAID's Last Mile program is a related Public/Private partnership involving USAID, the US chip leader Intel, and Vietnamese state telecom enterprises under VNPT (Vietnam Post and Telecommunications), and the Ministry of Post and Telematics. The USAID LMI integrates over \$750,000 in cash and in kind service from all partners. This LMI is supported by the Global and ANE Bureaus in Washington with the vision of connecting remote areas to bring them into the mainstream of economic and social development. Vietnam's LMI will demonstrate advanced wireless broadband and satellite technologies aimed at expanding advanced telecommunication and broadband services into the underserved, remote and poverty-challenged areas of Vietnam.

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